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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91228560
Party	Defendant Mesa Diversified LLC
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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS, Opposer, v. MESA DIVERSIFIED LLC, Applicant. MESA DIVERSIFIED LLC, Counter-Petitioner. v. BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS, Counter-Respondent,	Opposition No.: 91228560 Mark: CLOG HOG and Design, Ser. No 86731443 Counterclaim Mark: RAZORBACK and Design, Reg. No. 3432544

COUNTER-PETITIONER'S RESPONSE TO COUNTER-RESPONDENT'S MOTION TO DISMISS COUNTER-CLAIMS FOR CANCELLATION

Mesa Diversified LLC, ("Mesa") hereby responds to the Federal Rule of Civil Procedure 12(b)(6) motion by BOARD OF TRUSTEES OF THE UNIVERSITY OF ARKANSAS ("UAS") to dismiss the counterclaims for cancellation filed by Mesa (the "Counterclaims") in connection with Registration No. 3432544 (the "Registered Mark").

In response and in opposition to UAS's motion, Mesa hereby files this response ("Response") and states as follows:

Background

On August 20, 2015, Mesa filed its trademark application to register the mark CLOG HOG and Design (the "Mesa Mark") with the United States Patent and Trademark Office in International Class 7 was assigned serial number 86/731443 (the "Mesa Application").

On February 3, 2016, the Mesa Application was published for opposition. On June 21, 2016, UAS filed a Notice of Opposition against Mesa. On August 14, 2016, Mesa filed its Answer with Counterclaims for cancellation of the UAS's RAZORBACK and Design mark, Reg. No. 3432544.

I. LEGAL STANDARD OF REVIEW

Rule 8 of the Federal Rules of Civil Procedure ("FRCP") requires that pleadings setting forth claims for relief must include only "a short and plain statement of the claim showing the pleader is entitled to relief." Fed. R. Civ. P. 8(a). A motion to dismiss for failure to state a claim upon which relief can be granted is a test solely of the legal sufficiency of the allegations set forth in a pleading. *Advanced Cardiovascular Systems Inc. v. SciMed Life Systems Inc.*, 26 USPQ2d 1038, 1041 (Fed. Cir. 1993); *Guess? IP Holder LP v. Knowluxe LLC*, 116 USPQ2d 2018, 2019 (TTAB 2015). In order to withstand a Motion to Dismiss based on Fed. R. Civ. P. 12(b)(6), the counterclaims need only allege such facts as would, if proved, establish that the Mesa is entitled to the relief sought. Specifically, Mesa need only establish that it has standing to maintain the proceeding and that a valid ground exists for cancelling the registration owned by the UAS. *Young v. AGB Corp.*, 152 F.3d 1377, 47 USPQ2d 1752, 1754 (Fed. Cir. 1998). To survive a Motion to Dismiss, a complaint must only "state a claim to relief that is plausible on its face." *Bell Atlantic Corp. v. Twombly*, 550 U.S. 554, 570 (2007). *See also Ashcroft v. Iqbal*, 556 U.S. 662, 678 (2009) (plausibility standard applies to all federal civil claims); *Doyle v. Al Johnson's Swedish Restaurant & Butik Inc.*, 101 USPQ2d 1780, 1782 (TTAB 2012) (*citing Ashcroft v. Iqbal* for the standard to determine whether a claim has been properly pleaded).

The motion to dismiss under FRCP 12(b)(6) may be granted only if, after accepting all well-pleaded allegations in the Counterclaims as true and drawing all reasonable inferences in favor of Mesa, the Board finds that Mesa has failed to set forth fair notice of its claim and the grounds upon which it rests. *Bell Atlantic Corp. v. Twombly*, 550 U.S. at 570. In this case, the counterclaims should survive a motion to dismiss if it states plausible grounds for Mesa's entitlement to the relief sought. *Id*. at 555-557. The Counterclaims must merely contain sufficient factual allegations "to raise a right to relief above the speculative level." *Id.* at 555-556. Accordingly, the issue before the Board upon consideration of the pending motion to dismiss is not whether Mesa "will ultimately prevail but whether the claimant is entitled to offer evidence in support of the claims." *McDowell v. N Shore-Long Island Jewish Health Sys., Inc.*, 839 F. Supp. 2d 562, 565 (E.D.N.Y.2012) (*citing Todd v. Exxon Corp.*, 275 F.3d 191, 198 (2d Cir.2001)). Whether Mesa "can actually prove its allegations is a matter to be determined not upon motion to dismiss, but rather at final hearing or upon summary judgment after the parties have had an opportunity to submit evidence in support of their respective positions." *Cent. Mfg. Co. v. Outdoor Innovations, L.L.C.*, Proc. No. 110,966, 2003 WL 1905441 (TTAB April 17, 2003) (*citing Caron Corp. v. Helena Rubinstein, Inc.*, 193 USPQ 113 (TTAB 1976)). For this reason, a motion to dismiss for failure to state a claim "is viewed with disfavor and is rarely granted." *Phonometrics, Inc. v. Hospitality Franchise Sys.*, 203 F.3d 790, 794 (Fed. Cir. 2000).

Accordingly, UAS's motion to dismiss this ground of the Counterclaims should be denied.

II. Mesa's Counterclaims Sufficiently Alleges Abandonment as a Ground for Cancellation

In UAS's Motion to Dismiss, UAS incorrectly asserts Mesa has failed to allege the elements of abandonment in the Counterclaims. Mesa's Counterclaims properly allege the proper basis for its claim of abandonment.

Mesa sufficiently pled that its research supported its allegation that UAS had abandoned all

use of the RAZORBACK and Design mark, if it ever has use of the mark at all. As stated in its Counterclaim for Abandonment Based on Non-Use, Mesa alleges, first, UAS never had *bona fide* use of the mark, supported by the lack of evidence of use on UAS's website, advertising and social media. (TTAB 7 ¶¶ 1-4.) If it has, then UAS's lack of any advertising or apparent sales of branded products in the last three-years further shows that if there ever way any use, it has since stopped with no intent to resume use. In its Motion to Dismiss, UAS sets forth arguments going to the merits of the claims. UAS incorrectly states that Mesa acknowledged, in its counterclaims, that goods are still being sold by the "original owner." This statement is untrue. Instead, UAS attempts to argue the merits of the claims, which should only be done after extensive discovery, trial and briefing.

Further, Mesa is not required to provide *exact* dates of non-use, only that, based on its research, that UAS had not had use of the mark in more than three years. Given that the mark was transferred to UAS on May 20, 2008, it can be presumed that the mark has been abandoned from that date to the present, if not early based on the original registrant's lack of use.

III. Mesa's Counterclaims Sufficiently Allege Fraud as a Ground for Cancellation

In UAS's Motion to Dismiss, UAS incorrectly asserts Mesa has failed to provide a basis to support its allegation of fraud in the Counterclaims. Mesa's Counterclaims properly alleges numerous facts in support of its claim of fraud.

In its Petition to Cancel, Mesa alleges that UAS, through its undersigned attorney who signed the sworn affidavit himself, knowingly signed a sworn declaration and submitted a specimen in support of a Section 8 and 15 declaration with knowledge that the trademark was not in use. This assertion, as stated in the Counterclaim, is supported by the lack of any apparent sales or advertising at the time the declaration and specimen were submitted.

To the extent UAS or its attorney wishes to dispute these factual allegations, they may

appropriately do so through a decision on the merits or through a motion for summary judgment after discovery has begun.

Specifically, in ¶ 8-9 of the Counterclaims, Mesa alleges that in UAS's renewal declarations, UAS knowingly made a specific false statement in the declaration in support of Section 8 and Section 15, namely, that its mark was in use in commerce on the identified goods as of the July 1, 2013, filing date of said amendment. Mesa alleges that, based on its investigations, UAS was not using its mark on or before July 1, 2013. It further alleges that UAS made this false declaration statement with the intent to defraud, that is, to deceive, the USPTO, to renew and gain incontestable status for a registration to which UAS was not entitled. Inasmuch as demonstrating use in commerce of an applied-for mark is a requirement that is material to the determination that an application for registration is in condition for approval, the alleged false statement regarding use of the mark was material to issuance. Mesa argues that, read together, the allegations in these paragraphs set forth with sufficient factual specificity a claim of fraud on the USPTO based on nonuse of the mark (and no claim of excusable non-use) as of the filing date of the Section 8 and Section 15 declarations.

IV. In The Alternative, Mesa Requests Leave To Amend Its Counterclaims

In the alternative, should the TTAB find that Mesa's Counterclaims fail to properly state a claim for abandonment or fraud, Mesa hereby requests leave to amend its Answer and Counterclaims pursuant to TBMP §503.03 to address any identified deficiencies.

WHEREFORE, for the reasons stated herein, Mesa prays that the Board deny UAS's 12(b)(6) motion to dismiss.

Respectfully submitted,

Dated: September 21, 2016

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CERTIFICATE OF SERVICE

I hereby certify that on September 21, 2016, a true and correct copy of the RESPONDENTS/COUNTER-CLAIMANTS RESPONSE TO REGISTRANT/COUNTER-RESPONDENT'S MOTION TO DISMISS COUNTERCLAIMS is being served by First-Class mail on Registrant as shown in the correspondence record in the Office, as follows:

Harold J. Evans
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Respectfully submitted,

Dated: September 21, 2016

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